

HOUSE BILL REPORT

HB 2498

As Reported by House Committee On: Health Care & Wellness

Title: An act relating to prior authorization for dental services and supplies in medical assistance programs.

Brief Description: Concerning prior authorization for dental services and supplies in medical assistance programs.

Sponsors: Representatives Caldier, Cody, DeBolt, Manweller, Walsh, Johnson, Pike, Appleton, Jinkins, Kilduff and Gregerson.

Brief History:

Committee Activity:

Health Care & Wellness: 1/27/16, 2/2/16 [DPS].

Brief Summary of Substitute Bill

- Establishes a work group to make recommendations for improving the prior authorization system for dental providers in medical assistance programs.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Rodne, Short, Tharinger and Van De Wege.

Staff: Chris Blake (786-7392).

Background:

Medical assistance is available to eligible low-income state residents and their families from the Health Care Authority (Authority), primarily through the Medicaid program. The majority of medical assistance clients are served under a managed care arrangement which provides a prepaid, comprehensive system of medical and health care delivery, including primary, specialty, and ancillary health services. Dental services for medical assistance

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

clients, however, are provided through a fee-for-service arrangement in which the dentist directly bills the Authority. Certain dental services require that the dental provider obtain authorization prior to the service being performed. Prior authorization generally requires that the dental provider establish medical necessity for the service through sufficient, objective, clinical information.

Summary of Substitute Bill:

The Health Care Authority (Authority) must convene a work group to make recommendations for improving the prior authorization system for dental providers in medical assistance programs. The objective of the work group is to develop a prior authorization system that protects patients against unnecessary treatments and procedures while encouraging more dentists to treat medical assistance clients and increase their access to dental care.

The work group consists of dental providers in private practice, dental providers in community health centers, oral health care advocates, and other relevant stakeholders. The work group must submit recommendations to the Director of the Authority and the health care committees of the Legislature by December 15, 2016. The recommendations must address:

- wait times for prior authorization approvals and options for reducing wait times;
- which dental services currently subject to prior authorization should remain under prior authorization and which should be removed from prior authorization requirements;
- ways to remove the cost burden of prior authorization on dental providers; and
- options for adjusting payments for services subject to prior authorization.

Substitute Bill Compared to Original Bill:

The substitute bill removes the requirement that dental services and supplies that are reimbursed at less than half of the usual and customary fee in medical assistance programs be exempt from prior authorization.

The substitute bill directs the Health Care Authority (Authority) to convene a work group to make recommendations for improving the prior authorization system for dental providers in medical assistance programs. The stated objective of the work group is to develop a prior authorization system that protects patients against unnecessary treatments and procedures while encouraging more dentists to treat medical assistance clients and increase their access to dental care. The work group's recommendations must be submitted to the Director of the Authority and the health care committees of the Legislature by December 15, 2016. The recommendations must address: (1) wait times for prior authorization approvals; (2) which dental services currently subject to prior authorization should remain under prior authorization and which should be removed from prior authorization; (3) ways to remove the cost burden of prior authorization on dental providers; and (4) options for adjusting payments for services subject to prior authorization.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Medicaid fees are set far below usual and customary fees charged for dental services. These services have a low reimbursement, yet they require a lot of paperwork. Medicaid has lengthy rules and regulations that private insurance companies do not require as well as a cumbersome prior authorization process. The staff expense and time needed to receive prior authorization makes it easier for dentists to simply donate their services rather than enroll in Medicaid. This bill is not asking the Authority to pay more money, only to consider the cost to the health care provider to obtain a prior authorization. The length of time for a patient to wait for a prior authorization results in increased hospital visits and other problems. Long waits for prior authorization can result in delays in care.

In 2015 the Authority spent \$704,000 for the prior authorization process which could have been better used for providing patient care, rather than creating barriers. The Health Care Authority's prior authorization requirements are affecting how dental hygienists work in nursing homes and other settings. The prior authorization requirements frequently do not align with standards of care.

(Opposed) None.

(Other) When building dentures for a patient, prior authorization can actually be a protection for the patient.

Persons Testifying: (In support) Representative Caldier, prime sponsor; Melissa Johnson, Washington State Dental Hygienists' Association; and Lesley Bush.

(Other) Carolyn Logue, Washington Denturist Association.

Persons Signed In To Testify But Not Testifying: None.